Title: CHARITY CARE & FINANCIAL ASSISTANCE

Scope:

This policy applies to patients who may need charity care or financial assistance for the services received within the MultiCare Pre Health System (MHS) excluding MHS Express Clinics.

Policy Statement:

This policy provides a guideline to assist and guide staff in making consistent and objective decisions regarding eligibility for charity care. Financial assistance is available for medically necessary services provided by MultiCare Pre Health System (MHS).

Emergency care will be provided to patients regardless of their ability to pay. MHS shall allocate resources to identify charity cases and provide uncompensated care per RCW 70.170 and WAC 246-453.

In addition, MHS supports the state wide voluntary pledge of all hospitals to provide a minimum level of charity care discounts to low income uninsured patients per the guidance and documented Charity Methodology as provided and updated annually by the Washington State Hospital Association. When communicating with patients the phrase Financial Assistance will be used in lieu of Charity Care.

Procedure:

I. Eligibility Criteria for Medically Indigent Charity Care:

A. Charity Care is generally secondary to all other financial resources available to the patient, including:

1. Group or individual medical plans.
2. Workers compensation programs.
3. Medicaid programs.
4. Other state, federal or military programs.
5. Third party liability situations (e.g., auto accidents or personal injuries).
6. Any other persons or entities having a legal responsibility to pay.
7. Charity will be granted equally to all qualifying individuals, regardless of race, color, sex, religion, age, national origin, veteran's status, marital status, sexual orientation, immigration status or other legally protected status.
8. MHS may require potentially indigent persons to use an

application process attesting to the accuracy of the information provided.

a. If the application places an unreasonable burden on the responsible party, then the application process will not be imposed.

b. However, failure by the responsible party to reasonably complete the application process procedures shall be sufficient grounds for the hospital to initiate collection efforts directed at the patient.

B. Pending initial eligibility determination, MHS will not initiate collection efforts or requests for deposits, provided that the responsible party, within a reasonable time is cooperative with the system's efforts to reach a determination of sponsorship status.

C. Completed applications and supporting documentation must be returned to the Patient Financial Services Department within fourteen (14) calendar days of registration or for outpatient services within 14 days of receipt of first statement.

1. Exceptions to the 14 calendar day requirement may be made when:

a. The patient's medical condition requires it

b. When an additional time period may be reasonably necessary to secure and to present the documentation required

D. Income, for eligibility purposes, can be defined in two ways:

1. If the income is inconsistent over the last twelve months, then the quarter with the least amount will be multiplied by four.

2. If the income is consistent across the last twelve months, then use the previous twelve-month total.

3. Information provided must indicate gross income for the months prior to the month the application is received.

E. Income Verification: One or more of the following types of documentation will be acceptable for purposes of verifying income:

1. W2 withholding statements

2. Payroll check stubs

3. Most recent filed IRS tax returns

4. Determination of eligibility for unemployment compensation

5. Credit verification through a reporting agency

6. Determination of Medicaid eligibility

7. Written statements from employers or welfare agencies.

8. In the event the responsible party is unable to provide the

documentation described above, MHS will rely upon the written and signed statements from the responsible party for making a final determination of eligibility.

F. The provisions of this policy do not cover the professional services of the hospital's medical staff, provided that the charges for such services are either submitted by the individual medical staff or are separately identified within the hospital's billing system.

G. Welfare eligibility within ninety (90) days of date of service is equal to or the same as a financial assistance application and will qualify the patient for charity care (indigent) including, but not limited to, co-pays, non-covered services, and spend-downs up to $2,000. A qualifying application will be required for spend-downs greater than $2,000.

H. MHS reserves the right to run a credit check though a vendor collection agency or in-house software application to determine an account's collectability. Accounts determined to have inadequate financial resources for collection (i.e., financial indigence, undocumented aliens, DOA's with no information, the homeless, substance abuse addicts, etc.) will be forgiven with the approval of the Director of Patient Financial Services or designee.

II. Confidentiality: All information relating to the application will be kept confidential.

III. Eligibility Determination: MHS will review the application to determine eligibility. A written notice of eligibility/denial will be sent to the applicant within fourteen (14) days. Eligibility determinations will be processed in one of two ways:

A. If the application is complete and the applicant's income falls within the established guidelines, a notice of approval will be sent out within 14 calendar days, giving the percentage of financial assistance for which the patient qualifies.

B. Denial notices will be sent, within 14 calendar days, to the applicant when applications are received incomplete, unsigned, or with information that indicates the applicant's income exceeds guidelines.

IV. Appeals: The patient/guarantor may appeal a denial of eligibility for charity care by providing additional verification of income or family size within thirty (30) days of receipt of notification of denial.

A. Collection efforts may begin if no appeal has been received within 30 days of receipt of notification.

B. All appeals will be reviewed by the Chief Financial Officer (CFO) or his designee for final determination.

1. If this determination affirms the previous denial of charity care, written notification will be sent to the patient/guarantor and the

Department of Health in accordance with state law.

V. Approval for 100% Charity Care:

A. Patients not seen at Mary Bridge locations will be given full charity care if their gross family income is equal to or below 200.4% of the Federal poverty guidelines, as adjusted for family size. Full charity care will be given to Mary Bridge patients that have a gross family income equal to or below 300.4% of the Federal poverty guidelines, as adjusted for family size.

VI. Patients with third party payer source: Following the initial request, MHS may pursue other sources of funding, including Medicaid. Patients will be required to provide verification of ineligibility for Medicaid. If the denial is from the patient's lack of cooperation with the Medicaid process, the patient will not be eligible for charity care.

A. Full Charity:

1. MHS patients (excluding Mary Bridge locations) who are covered by a third party payer source and are at or below 200.4% of the Federal poverty level and have patient liability after third party payment will have charity care extended to any co-pay, deductible or co-insurance portions and/or any remaining self pay balance due after primary / secondary payments have been made to MHS.
2. Mary Bridge patients who are covered by a third party payer source and are at or below 300.4% of the Federal poverty level and have patient liability after third party payment will have charity care extended to any co-pay, deductible or co-insurance portions and/or any remaining self pay balance due after primary / secondary payments have been made to MHS.

B. Sliding Scale applies to combined balances for all open accounts for this guarantor at time of application.

1. The sliding scales are based on the annual state wide voluntary pledge for a minimum level of charity care discounts. The sliding scales are hospital specific. See attached sliding scales.
2. The sliding scales for patients between 200.5% and 500.4% of the Federal poverty levels for MultiCare Health System (Mary Bridge entities excluded) will be for self-pay patients and will apply to patients with deductibles and co-insurance amounts in excess of $2,000. The sliding scales within this poverty level range will not apply to patient balances below the $2,000 threshold.
3. The sliding scales for patients between 300.5% and 500.4% of the Federal poverty level for Mary Bridge Children’s Hospital and Clinics will apply to self-pay patients and will also apply to patients with deductibles and co-insurance amounts in excess of $2,000. The sliding scales within this poverty level range will not apply to patient balances below the $2,000 threshold.

VII. Other Circumstances: Charity care may be provided beyond the scope of the Washington State charity care rules when circumstances indicate and as approved by the Chief Financial Officer or his / her designee.

A. Indications for increasing the charity care discount, contingent upon available charity care funds, include:

1. Severe financial hardship or personal loss
2. Extraordinary nondiscretionary expense relative to the amount of the responsible party's medical expense
3. Extraordinary medical expenses
4. Existence and availability of family assets, which may only be considered with regard to the applicability of the sliding fee schedule
5. Responsible party's future income earning potential, especially where his or her ability to work may be limited as a result of illness
6. Responsible party's ability to make payments over an extended period of time

B. MHS may make an exception to the income and/or asset tests used to qualify patients for charity care in consideration of a catastrophic event. A catastrophic event is some dramatic circumstance that would affect his or her financial circumstances. An example of a catastrophic event would be a family with a high family income, but whose primary income earner expires, or the primary dwelling has been destroyed.

C. The responsible party's financial obligation remaining after application of the sliding fee schedule will follow regular collection procedures to obtain payment.

VIII. Communication to the Public:

A. Patients/guarantors are provided with a written notice of availability of financial assistance upon registration. Additional patient education materials will be made available.

B. Written information will be available in English. Any language spoken by more than 10% of the population in the hospital's service area will have written communication in that language. Patients whose language is spoken by less than 10% of the population will be provided interpretations, as will any other patient who cannot read or understand the writing.

C. MHS Charity Care program will be publicly displayed in key areas of the hospitals.

D. Additionally, requests to provide charity care may originate from

	other sources including a physician, community or religious groups, social services, financial services personnel, or the patient/guarantor. **IX. Collection Efforts -** Pending final eligibility determination, MHS will not initiate collection efforts or requests for deposits, provided that the responsible party, within a reasonable time is cooperative with the system's efforts to reach a determination of sponsorship status.
	Related Policies: MHS P & P: *"Uninsured Prompt Pay Discounts"* *MHS P & P: "Patient Payment Plans- Hospital Billing & Physician Billing"*
	Related Forms: Charity Care Application
	Attachment: **Appendix A:** Charity Care Financial Guidelines (7/08)
	References: WSHA Voluntary Pledge to Charity Care
	Point of Contact: Vice President of Revenue Cycle – 459-8100

Approval By: MHS P & P PILOT	***Date of Approval:*** ***9/08*** ***9/08***
Original Date: Revision Dates: Reviewed with no Changes Dates:	*5/97* *11/00; 8/03; 2/05; 2/06; 9/08* none

Distribution: MHS Intranet

Appendix A: Charity Care Financial Guidelines

Federal Poverty Levels - Income Thresholds							
Family Size	100% of Nat'l Mo.	100% Nat'l Year	200% of Nat'l	300% of Nat'l	350% of Nat'l	400% of Nat'l	500% of Nat'l
1	$867	$10,400	$20,800	$31,200	$36,400	$41,600	$52,000
2	$1,167	$14,000	$28,000	$42,000	$49,000	$56,000	$70,000
3	$1,467	$17,600	$35,200	$52,800	$61,600	$70,400	$88,000
4	$1,767	$21,200	$42,400	$63,600	$74,200	$84,800	$106,000
5	$2,067	$24,800	$49,600	$74,400	$86,800	$99,200	$124,000
6	$2,367	$28,400	$56,800	$85,200	$99,400	$113,600	$142,000
7	$2,667	$32,000	$64,000	$96,000	$112,000	$128,000	$160,000
8	$2,917	$35,000	$70,000	$105,000	$122,500	$140,000	$175,000
Each Add'l	$300	$3,600	$7,200	$10,800	$12,600	$14,400	$18,000

Source for Poverty Guidelines: Computations for the 2008 Annual Update of the HHS Poverty Guidelines for the 48 Contiguous States and the District of Columbia
Revised and Approved: 1/21/2008

MULTICARE HEALTH SYSTEM - Excluding Mary Bridge Entities and MultiCare Express Clinics

Poverty Levels*															
0%-100.4%	100.5%-125.4%	125.5% - 150.4%	150.5% - 175.4%	175.5%-200.4%	200.5%-225.4%	225.5% - 205.4%	250.5% - 275.4%	275.5%-300.4%	300.5%-325.4%	325.5% - 350.4%	350.5% - 375.4%	375.5%-400.4%	400.5%-425.4%	425.5% - 450.4%	450.5% - 475.4%	475.5%-500.4%
Charity Discount %																
100%	100%	100%	100%	100%	80%	80%	75%	75%	70%	70%	65%	60%	55%	50%	45%	40%
Patient Responsibility																
0%	0%	0%	0%	0%	20%	20%	25%	25%	30%	30%	35%	40%	45%	50%	55%	60%

MULTICARE - Mary Bridge

Poverty Levels*															
0%-100.4%	100.5%-125.4%	125.5% - 150.4%	150.5% - 175.4%	175.5%-200.4%	200.5%-225.4%	225.5% - 205.4%	250.5% - 275.4%	275.5%-300.4%	300.5%-325.4%	325.5% - 350.4%	350.5% - 375.4%	375.5%-400.4%	400.5%-425.4%	425.5% - 450.4%	450.5% - 475.4%	475.5%-500.4%
Charity Discount %																
100%	100%	100%	100%	100%	100%	100%	100%	100%	70%	70%	65%	60%	55%	50%	45%	40%
Patient Responsibility																
0%	0%	0%	0%	0%	0%	0%	0%	0%	30%	30%	35%	40%	45%	50%	55%	60%

Washington State Hospital Association
Hospital Voluntary Effort on Billing to the Uninsured

FPL Discount	TG	MB	AH	GS
>0 - 100%	100%	100%	100%	100%
101% - 200%	66%	62%	66%	69%
201% - 300%	56%	50%	56%	60%
Average	34.15%	38.39%	34.15%	30.52%